

## **My Money Management Plan**

I have always wanted to be able to enjoy life and not have to worry about money when I get out of college. I have seen other families go through bankruptcies, divorces, and misery as a result of out of control spending and living beyond their means. My parents have always put time into financial planning and been able to live almost debt-free and secure as a result. They have been a big influence on my life and the way I handle my money. They have taught me to enjoy life but to plan for the future.

Prior to high school, the only money that I was able to save was from birthday gifts, Christmas gifts, and small weekly allowances. At a young age I began keeping track of my savings and was able to see it grow. Even though the interest on my money was small, I loved having it added in each month. Then in 9<sup>th</sup> grade I decided that since I enjoyed swimming at our neighborhood pools so much in the summer that I would become a lifeguard. With my first real paycheck, I opened a free student checking and savings account at a local bank. Although I was issued free checks, I decided to use the debit card as my usual source of money when I needed it. My student debit card would only let me spend up to the amount that I had in my accounts. The next two summers I worked full time as a lifeguard and also made more per hour each year. I kept my same bank accounts, spending some of my earnings on clothes and entertainment, donating some to church, keeping some for extra spending money until the next summer, and putting the rest in savings.

This year I am applying for scholarships that will help my parents pay for my college starting next year. While in high school I have worked hard on my grades, extracurricular activities, and volunteering in service organizations so that I will have a better chance to get scholarships. Although I may try to get work-study jobs on campus during the school year, I plan to do most of my work during the summers so that I can concentrate on my classes during the

school year as I did in high school. Both my parents and I agree that I do not want to get or use a credit card while in college. I want to be able to graduate from college debt free. While I hope to pursue a career in which I can help people, I do not yet know the area that I will focus on. I feel strongly that a college education helps people get better jobs and I hope it enables me to get a good job with good benefits when I graduate.

After college, I plan to use a lot of the ideas that helped to make my parents financially stable. I do not know if I will get married soon after college, but hope I eventually will. I also hope that my future spouse will be as conservative with money as I am. There are many ways I plan to start my post-college living to help my financial success. For example, I could purchase good used furniture by looking in the newspaper as my mother always did. I would also buy a good used car to save money instead of a new one that depreciates so quickly when it is driven off the car lot for the first time. I plan to pay cash for my car, furniture, and everything else except for a reasonable house mortgage when the time comes that I purchase a house. I may have one credit card that I would keep in case I traveled or needed one, but would not use it unless necessary and would always pay it off in full at the end of the month. I will guard overspending in clothing, entertainment, and eating out, while enjoying a full and happy lifestyle. There are many activities that I enjoy, like bicycling and swimming, that are free. I hope to keep track of my spending in a budget book until I see healthy patterns that start building toward my financial future. I also hope to be able to save as much as possible as early as possible so that interest will have more time to build and make my later life and retirement more secure.

I will probably choose safe investment funds like my parents always have. While I would love to make a lot of interest on my saved money, I do not want to gamble and lose it to risky investments. I will put my savings in different places, which my father calls diversifying your portfolio. Some examples of these places would be retirement accounts, work savings accounts, and some of the safer mutual funds. Another large investment I would want to make

is purchasing a house. I would prefer to buy instead of renting for very long. I think that it is smarter financially as a tax deduction and, unlike when you rent, because you have something to show for your monthly payment that you will eventually own. I would take my time in looking for a house that was a good deal, a comfortable size, and in a good location to appreciate in value. If I found one that needed beauty work and some fixing up, I would be glad to do it knowing that it would soon be worth more.

I am glad that I have grown up not wanting much “stuff”. I have seen other friends that have had a lot, lost it, and were not happy either way. I actually enjoyed going to consignment clothing stores while I was growing up because it felt like I was looking through a friend’s closet. I loved how much more I got for the money. I am glad that I have been able to learn that “stuff” is not what is important in life. I hope that, like my parents, I will be able to enjoy a less stressful, healthier, and happier life.